Guidance for Preparing B2 Accounting Adjustments in FFIS

Most transactions are recorded in the accounting system by preparing documents that are entered into a National Finance Center (NFC) feeder system (i.e., payroll, travel, purchase orders, etc.) or with documents that are directly entered into FFIS (i.e., contracts, agreements, indemnity payments, etc.). When accounting data has been entered incorrectly and it is determined an accounting adjustment must be made, the first choice is to modify the original document. When that is not possible, the mechanism for making these adjustments may be an FIS "B2" document. This provides guidance to offices for determining if a B2 document is the proper mechanism for making an accounting adjustment and provides instructions for preparing that document.

I. Background:

The USDA, FFIS Project Office, now known as ACFO-FS, was very hesitant to allow miscellaneous accounting adjustments in the Foundation Financial Information System (FFIS). The accounting adjustments provide no audit trail to the general ledger and are often inappropriate. If used incorrectly, they will create abnormal balances in our ledger and on our Consolidated Financial Statements and Treasury reports.

The B2 transaction code was created for AMS based on our process for reimbursing costs/expenses within AMS Programs. It can also be used to correct accounting entries when the Program Code or budget object class (BOC) needs to be changed. It is a clone of the FFIS Standard Voucher (SV) document.

AMS committed to a stringent review of this authority, monitoring it for misuse, and revoking the authority to enter this document by users, when appropriate. The Washington Financial Services Branch (WFSB) will internally review a representative sample of the B2's processed each year. Each program is encouraged to self-audit the adjustments processed by their staff. The Office of the Inspector General (OIG) is very likely to select random samples of B2 documents to review each year, as part of their audit of the USDA Consolidated Financial Statements.

The B2 adjustment should only be performed in situations where one AMS program is transacting business with another AMS program, or where an incorrect Program Code or BOC was used on a document. An "incorrect" Program Code or BOC means it is a valid code in FFIS, but not the proper code for a specific transaction. An "invalid" Program Code is not established in FFIS. You can not prepare an accounting adjustment for an invalid program code; it will reject. In this case, you need to determine the valid Program Code and contact the FFIS Functional Administrator in WFSB.

II. Is a B2 the correct document to be used to make the adjustment?

Below are some items to consider before deciding to make an adjustment.

1a) **Feeder Correction** - Can the original document be corrected in the original feeder system? **If the answer is "Yes,"** amend the original document in its feeder. There are 5 feeder systems that allow for corrections to be made through them into FFIS:

> **PCMS** - If the transaction is PCMS-related it ***must*** be corrected in PCMS. The PCMS is a feeder that backfeeds from FFIS and both balances must match. Note: a transaction in PCMS can be "reconciled" or changed many times.
>
> **PC TARE -** If an "invalid" program code was used on a T&A, the document will be paid but put in a forced release status. Do not do a B2 transaction or a corrected T&A in this case. You need to contact WFSB and provide them with a correct program code to resolve this situation. If an "incorrect" program code was used on a T&A, please process a corrected T&A. If the incorrect program code was used on many T&As, the program budget analyst must decide the best correction method. This will not move the benefits associated with the employee(s). You will need to process a B2 to move the benefits. **Note: If it is determined a B2 is the best correction method, the HOURS need to be entered in the "Quant:" field in FFIS. The hours must be moved as well as the obligations to keep reports such as the Status Of Funds Extract accurate.**
>
> **PRCH -** The purchase feeder is designed to track modifications to original procurement documents. A modification to the original purchase order is the preferred method for correcting accounting and BOC information. Purchase Order payments which have **closed** in FFIS must be moved with a B2. Check PVHT/PVLT to determine the status of the payment. To correct the accounting or BOC for any unliquidated balance, modify the purchase order.
>
> **TRVL.** If a relocation is complete and fully paid, it can not be modified in Travel and you will have to adjust it in FFIS. If a voucher for temporary duty has processed and paid in Travel, it must be adjusted in FFIS.
>
> **PROP.** The backfeed from FFIS to the Property system does not recognize B2 documents; therefore, if you process a B2 with a BOC of 31**, where the asterisks equal any two digit combination, except 3140, you will create an out-of-balance condition between PROP and the General Ledger. BOC 3140, Non-Accountable Property (under $5,000 acquisition cost), does not impact the Property system. If you need to change a BOC or accounting code on a FFIS entry that does NOT have BOC 3140, you must contact your Resource Management Specialist who will work with the Minneapolis Property Team (e-mail MRPBS ASD – Property). They will enter your correction and the PROP system will backfeed the information to FFIS. You will see the corrected entry on your financial reports with a DV Trans Code. **You should *never* enter an accounting adjustment for any property BOC except 3140 and never for a document with a trans code beginning with 'DV'.**

1b) **If the answer is “NO**,” the original document can not be corrected in the feeder, then consider preparing a B2 accounting adjustment. The Voyager, UTVN, TELE, FTSP, MPOL and Travel feeders do not lend themselves to corrections. In addition, the stored accounting feeders like UTVN, TELE, FTSP, and MPOL must have a document submitted to NFC to correct the accounting code on future documents. The intent is to keep the stored master feeder systems accurate. A list of NFC Master Files (stored accounting) feeder systems and the NFC publication covering the system can be found in these training materials under “NFC Master Files.”

2) **Program Code Problems -** Is the Program Code (accounting code) set up correctly in FFIS? The program code may be valid in FFIS but set up incorrectly in the FFIS tables ACXT and DVAL. For example, you have a fund 28 accounting code appearing under fund 04 data, or one of your offices is aligned with the wrong regional organization code. In these situations **do not** prepare an accounting adjustment. Please contact the FFIS Functional Administrator in WFSB for assistance in resolving these matters. If we do not fix the underlying problems with accounting codes, errors in processing and reporting transactions will continue to occur.

3) **DVSN, FUND, or Prior Year/Budget Fiscal Year (BFY) -** Does the adjustment affect more than one DVSN (15 = Dairy, 11 = Cotton, etc.) and/or FUND (04, 04R, 06R, 28, etc.) and/or BFY? If yes, the adjustment is probably needed. But if the DVSN and FUND are not changing, especially in a prior year, the adjustment most likely isn’t needed. All B2 adjustments that do not change FUND and/or DVSN should be reviewed in depth prior to processing. The Analyst managing the account is responsible for making the final decision as to whether an adjustment is needed or not.

4) **Amount -** Is the amount of the adjustment material? The program analyst should determine the materiality, given the circumstances of the adjustment. Note: All Congressional reporting from AMS rounds to the nearest thousand and sometimes million. However, there are valid cases where an amount considerably lower must be adjusted. For example, a single gasoline transaction was charged to PY and belongs to ST.

5) **Payment Status -** ALL adjustments will be made only on “Closed” transactions in FFIS. The person making the B2 adjustment must maintain documentation that the action is closed in their files. This can be determined by reviewing the PVHT and PVLT tables in FFIS. We recommend that you make screen prints. Do not process the adjustment until you can document a closed status.

6) **Backup Detail -** The Description field must specify information that can lead you back to the detail documents on which you based the adjustment. In an audit, *you* may be required to produce the original documents to support this adjustment. You are the only one that has the information that produced the adjustment. ALL entries with a non-specific description such as “change or correct accounting, account adjustment, correct BOC, or MISC accounting adjustment” will be reviewed/audited extensively. These are not adequate descriptions. The description must reflect specific details regarding the reason for the adjustment. Examples of good descriptions are the log number for your B2s (if you use a log), a travel authorization number, the project name, ‘J. Brown’s travel for GIPSA’ or DTR 4/30/03 43639534055. The description should be something that would point you back to the detail of what makes up the adjusted amount in your files. If need be, create a log.

7) **Still Not Sure**? If you are unsure that an adjustment needs to be completed, or that the B2 document was prepared correctly, ask someone to review it. Utilize peers in your program or call WFSB.

III. Who in AMS can do these adjustments?

Only those people that have security clearance may enter these adjustments directly in FFIS. This security access will be reviewed by each Program. An approved list of personnel authorized to make these entries is reviewed quarterly.

IV. Types of Adjustments:

1. Referencing (one-to-one) adjustments are those where a closed payment voucher can be referenced.

   - The Vendor ID: use the exact same code cited on the original voucher. This is a two position field.
   - The correction is to the BOC or Program code. (Can not correct BOC 31** except 3140).
   - The Reference Doc ID field must contain the exact Trans Code and Doc Id Number of the original payment voucher. It is a two position field.
   - The entire amount of the Payment Voucher must be in closed status in FFIS.
   - A specific description is needed to remind you, in detail, why the adjustment was made.

2. If a "Mass" Adjustment transaction.

   - The Vendor ID: 02Standard
   - The Major Object Class must be used for each subtotal amount. These entries require one decrease and one increase line for each major object code class.
   - There must be documentation to show closed transactions in the amount to be transferred in FFIS for the FUND to be decreased. For example: your adjustment includes salary and benefits, TDY travel and a purchase order. You must confirm all the salary and travel have processed into FFIS and that the entire purchase order is closed. You should not process the adjustment until all components of it are confirmed closed.
   - A detailed inventory of the items adding to the total of the transfer must be available on request from a viewing/auditing source.

3. If a transfer between AMS programs.

   - The Vendor ID: 02Standard
   - The Major Object Class must be used for each subtotal amount. These entries require one decrease and one increase line for each major object code class.
   - The B2 adjustment form should be started with the program performing the services (being reimbursed). The form should then be sent to the program paying for the services.

- The program paying for services should enter the B2 document, timely, and then provide documentation to the performing program that provides the B2 document.

V. Transaction Code/Transaction Type to use for adjustments:

The Trans Code is B2 for all adjustments referred to in this document.

1) Expenditure adjustments will use the Trans Type of TO.
2) Revenue adjustments will use the Trans Type of FI.

Note: When making an adjustment between AMS programs, all lines must use a budget object class for an expenditure adjustment or a revenue source code for a revenue adjustment. In other words, one program may not adjust expenses while the other program is adjusting revenue.

VI. Adjustments may *ONLY* be made to CLOSED items.

1. Always in Closed Status:

The following list of items are accrued (obligated) and expended (paid) in the same transaction; if they are in FFIS, they are closed. If you know one of these successfully processed in a feeder and you can not find it in FFIS, it may be on SUSF in REJCT status. This list is not all-inclusive:

PACS; Payroll
TRAV - Domestic TDYs AD-616
FTSP
TELE
UTVN
Lease Payments
MPOL
TRAN
GPO
UPS
SF-1164's
Indemnities
Utilities
Foreign Payments
Wire Transfers
MISC Claims; TORT, Medical, EEO, etc.

All "NO" Trans Coded documents – except investments
PCMS but you can not do a B2 accounting adjustment for PCMS - ever.

2. May be in an Open or Closed Status:

The following items are accrued (obligated) in one transaction in FFIS. Then at a later date, another transaction processes that references and liquidates (pays) it. There are instances where the payment may not correctly reference the original expenditure and it will not be liquidated. Instead the payment may be processed under a different expenditure Doc ID and then liquidated. In these instances, your Unliquidated Expenditures (obligations) will be overstated. The list is not inclusive:

PRCH - Purchase Orders
Agreements
Contracts
Reimbursable Work Authorization (RWA)
IPAC
FEDS

VII. Form:

Attached to these guidelines is a sample Accounting Adjustment Form. It is available in soft copy as an Excel Spreadsheet. You may also reproduce the attachment. Use of this form is not mandatory unless you are not doing your own adjustment. The office entering your adjustment will probably require this form be prepared. The form and preparation instructions may be found in the next step.

VIII. The FFIS Adjustment - B2:

INSTRUCTIONS FOR COMPLETING EXPENDITURE ADJUSTMENT DOCUMENT:

Attachment Line #	Enter a 3-digit number for each line from 001 to 030. Remember: for research purposes, it is recommended each document be kept to 30 lines or less.
Program	Enter the 9-digit Program Code
BOC	Enter the 4-digit Budget Object Class; can not adjust BOC’s 31** except 3140.
Vendor Code	Enter the Vendor Code related to the adjusting entry. If a one-to-one adjustment, use the Vendor Code cited on the original voucher. If for a mass transfer summarized to the major object class level of detail use the Vendor ID **02Standard**.
Quant	This field is used to record hours when transferring payroll. This field only accepts whole numbers; you can not put in fractions of hours. Example: 16.5 will not be accepted; you will have to round up or down. Use the B2 to transfer payroll only when there is no other option available. Please check with your Headquarters staff or WFSB to validate that the B2 is the proper way to correct payroll for your situation.
Reference Trans ID	For one-to-one adjustments, reference the **exact** Trans Code and Doc ID Number of the original payment voucher. For mass transfer, leave blank. This is a two digit field.

Amount	Enter dollars and cents in the amount column.
I/D	Increase or Decrease -- To transfer amounts from a particular accounting code, enter a “D” in this field. To transfer amounts to a particular accounting code, enter an “I” in this field. The increases and decreases for each document MUST equal zero. Note: the decrease goes on the first line of the entry.
Description	Limit of 30 characters -- This field must specify information that can refer you back to the original document that is being adjusted.
Closed in PVHT/PVLT	Adjustments may ONLY be made on CLOSED items.

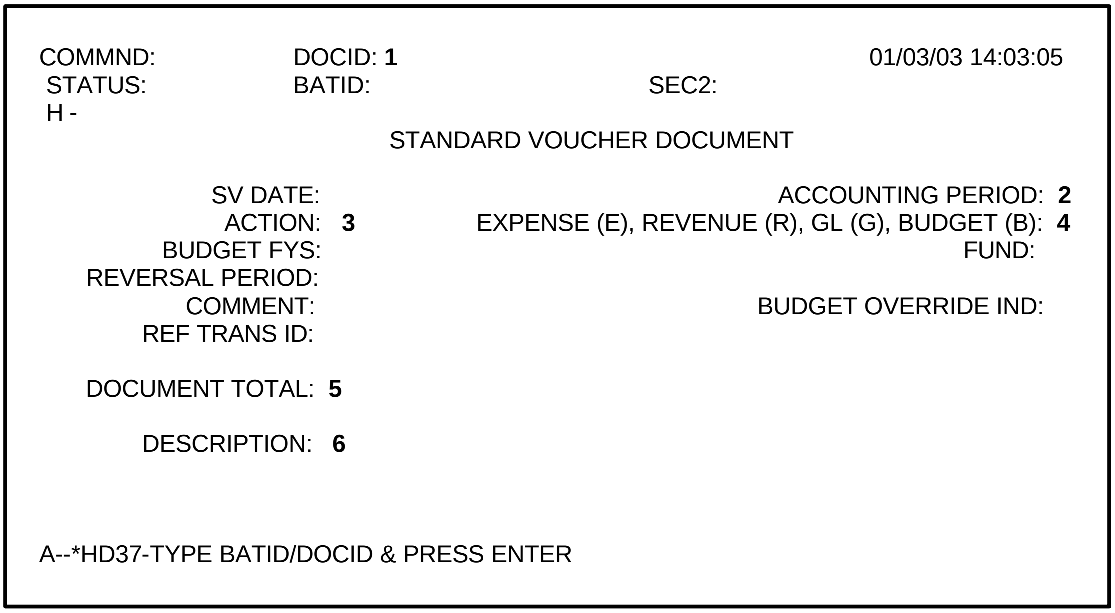
IX. Assistance:

Personal Contacts - please work up through your program’s supervisory levels, usually the Resource Management Specialist, or refer to the FFIS Points of Contact list provided in the FFIS training course.

Making an Adjustment to an Incorrect Program Code

To Begin the process of making an adjustment, you must create a B2 document. Below is an example of the B2 document Header screen.

B2
Document Header Screen Example



```
COMMND:              DOCID: 1                                  01/03/03 14:03:05
 STATUS:             BATID:                     SEC2:
 H -
                          STANDARD VOUCHER DOCUMENT

          SV DATE:                                    ACCOUNTING PERIOD:  2
           ACTION:  3      EXPENSE (E), REVENUE (R), GL (G), BUDGET (B):  4
      BUDGET FYS:                                                  FUND:
  REVERSAL PERIOD:
          COMMENT:                                  BUDGET OVERRIDE IND:
     REF TRANS ID:

   DOCUMENT TOTAL:  5

      DESCRIPTION:  6


A--*HD37-TYPE BATID/DOCID & PRESS ENTER
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The table below shows required fields for the B2 document header screen. The fields are numbered in the example screen.

B2 Document Header Screen Required Fields

#	Field	Data	
1	DOCID	Trans Code	B2 (Type of Document)
		Sec 1 Code	Enter the appropriate Sec 1 Code
		Document #	YYXXXXXXXXX where: YY = Last 2 digits of the fiscal year XXXXXXXXX = Your document number
2	ACCOUNTING PERIOD	Enter the accounting period in MMYY format.	
3	ACTION	E (Enter new document)	
4	EXPENSE(E), REVENUE (R), GL (G), BUDGET (B)	E (Expense) R (Revenue)	
5	DOCUMENT TOTAL	0.00 (Document Total)	
6	DESCRIPTION	Provide a meaningful description which will take you back to the source documents.	

FYI

The document total in the B2 Header screen will always be zero dollars for an adjustment because it is the sum of the line amounts in the Line Screens, which should have equal and offsetting amounts.

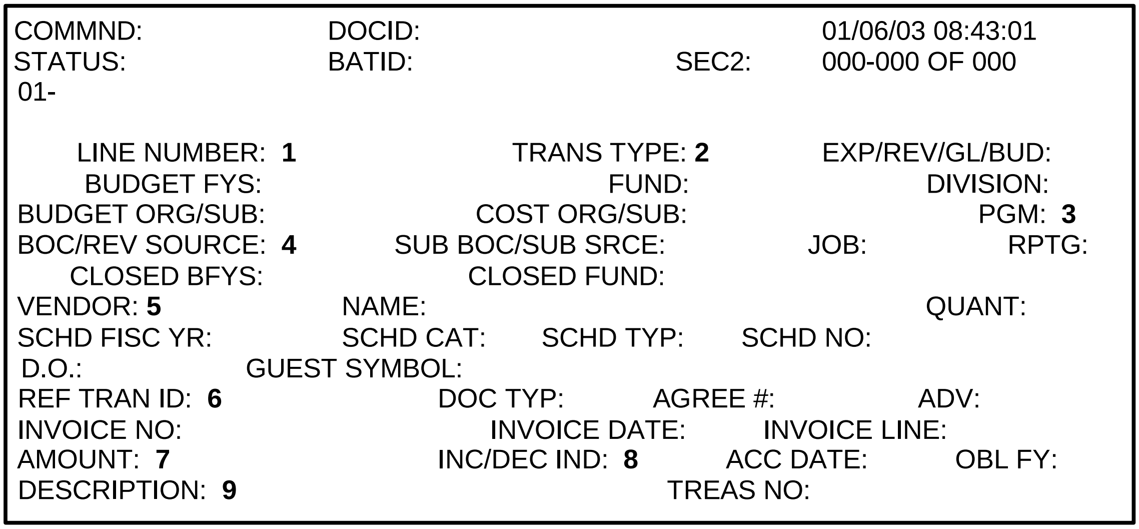
B2 Document Header Screen Instructions

To enter a B2 document Header screen for adjustments, follow the steps outlined in the table below.

Step	Action
1	Type L in ACTION (of any FFIS table screen)
2	In the TABLEID field, type B2
3	Press the spacebar twice to clear possible remaining data
4	Press Enter, and the B2 header Screen appears
5	Tab to the DOCID field. The transaction code B2 should be displayed.
6	Tab to the next field, and type in the appropriate Sec 1 Code.
7	In the next filed type in YY (YY = last 2 digits of the fiscal year) followed by your document number.
8	Press Enter.
9	Tab to ACCOUNTING PERIOD and type in the accounting period in MMYY format.
10	Tab to ACTION and type E.
11	In the EXPENSE (E), REVENUE (R), GL (G), BUDGET (B) field, type E for an Expense or an R for a Revenue Adjustment.
12	Tab to DOCUMENT TOTAL and type 0.00.
13	Tab to DESCRIPTION and type a meaningful description which will take you back to the source documents. A description entered on the Header Screen will be implied to all document Line Screens with a blank description field.
14	Press Enter and the B2 Line screen appears.
15	Fill in the line screen fields. (Steps are detailed in the next segment of this section.

B2 Document Line Screen Example

Below is an example of a B2 document Line Screen. Information for these screens should be for incorrect and correct program codes. The fields are numbered on the example screen.



```
COMMND:                  DOCID:                                     01/06/03 08:43:01
STATUS:                  BATID:                       SEC2:         000-000 OF 000
 01-

     LINE NUMBER:  1                   TRANS TYPE: 2            EXP/REV/GL/BUD:
      BUDGET FYS:                              FUND:                    DIVISION:
BUDGET ORG/SUB:                        COST ORG/SUB:                       PGM:  3
BOC/REV SOURCE:  4          SUB BOC/SUB SRCE:             JOB:              RPTG:
     CLOSED BFYS:                     CLOSED FUND:
VENDOR: 5                 NAME:                                         QUANT:
SCHD FISC YR:             SCHD CAT:       SCHD TYP:       SCHD NO:
 D.O.:               GUEST SYMBOL:
REF TRAN ID:  6                    DOC TYP:          AGREE #:              ADV:
INVOICE NO:                           INVOICE DATE:         INVOICE LINE:
AMOUNT:  7                         INC/DEC IND:  8         ACC DATE:         OBL FY:
DESCRIPTION:  9                                         TREAS NO:
```

B2 Document Line Screen Required Fields

The table below shows the required fields for the B2 document Line Screen. The fields are numbered in the example above.

#	Field	Data
1	LINE NUMBER	Line number from 001 to 999 (start with Line 001)
2	TRANS TYPE	TO for Expense Adjustment FI for Revenue Adjustment
3	PGM	Incorrect program code (accounting code) from the Payment Voucher being referenced, or correct program code (accounting code)
4	BOC/REV SOURCE	Appropriate budget object code from the Payment Voucher being referenced
5	VENDOR	Vendor code from the Payment Voucher being referenced
6	REF TRANS ID	The transaction code and document number of the Payment Voucher being referenced
7	AMOUNT	Line amount from the Payment Voucher being referenced
8	INC/DEC IND	I or D (Increase/Decrease Indicator)
9	DESCRIPTION	An appropriate description that will help identify the adjustment line in future periods

The first line screen entered will decrease the dollar amount processed against the incorrect program code (accounting code). The second line screen entered will increase the amount to the correct program code (accounting code).

To enter the B2 document Line Screen to correct a posting(s) to an incorrect program code, follow the steps outlined below:

Enter B2 Document Line Screen Instructions

Step	Action
1	In the LINE NUMBER field type in a 3-digit number for each line from 001 to 999.
2	In the TRANS TYPE field type TO if an Expense Adjustment or FI if a Revenue Adjustment.
3	Tab to PGM and type in the incorrect program code from the Payment Voucher being referenced.
4	In the BOC/REV SOURCE field type in the budget object code from the document being referenced OR revenue source code if this is a revenue adjustment.
5	Tab to VENDOR and type the vendor code from the document being referenced.
6	Tab to REF TRANS ID and type in the transaction code and document number of the document being referenced.
7	Tab to AMOUNT and type in the total amount of the line in the Payment Voucher being referenced.
8	Tab to INC/DEC IND and type D to indicate a decrease in the line amount.
9	Tab to DESCRIPTION. If a description was not entered on the Header Screen which applies to this line, type an appropriate description that will help identify the adjustment line in future periods.
10	Press Enter. A new B2 Line Screen appears.
11	In the LINE NUMBER field type in a 3-digit number for each line from 001 to 999.
12	In the TRANS TYPE field type TO if an Expense Adjustment or FI if a Revenue Adjustment..
13	Tab to PGM and type in the incorrect program code from the document being referenced.
14	In the BOC/REV SOURCE field type in the budget object code from the document being referenced or the revenue source code if this is a revenue adjustment.
15	Tab to VENDOR and type the vendor code from the document being referenced.
16	Tab to REF TRANS ID and type in the transaction code and document number of the document being referenced.
17	Tab to AMOUNT and type in the total amount of the line in the Payment Voucher being referenced.
18	Tab to INC/DEC IND and type D to indicate a decrease in the line amount.
19	Tab to DESCRIPTION. If a description was not entered on the Header Screen which applies to this line, type an appropriate description that will help identify the adjustment line in future periods.
20	Press Enter. Repeat Steps 1 through 21 for each incorrect program code, as necessary.
21	Press the Home key and type E in COMMAND and press Enter to edit the document.
22	If there are no error messages at the bottom of the screen, provide your supporting documentation to an approving officer.

NOTE: When making an adjustment between AMS programs, all lines must use a budget object code for an expenditure adjustment or a revenue source code for a revenue adjustment. In other words, one program may not adjust expenses while the other program is adjusting revenue. For these adjustments, use the vendor code 02STANDARD.